



Maryland Buyer's Welcome Package





PLEASE NOTE:

All funds will have to be sent via a WIRE TRANSFER to ensure the highest security. Title-Rite Services, Inc. does not accept any certified checks. When the time comes, we will provide wire instructions directly to the Buyer via secure email. **If your lender or bank representative suggests another method of payment, please contact Title-Rite Services, Inc. immediately as this may delay settlement.**

Why don't we accept checks? To protect everybody involved in the transaction we observe the Good Funds Statute. The Good Funds Statute stipulates that we may only disburse money once all funds have cleared. A check is not guaranteed funds. A wire transfer clears instantly, is secure, and funds are immediately available for use.



For Informational Purposes Only

Title to the Property: (a.k.a “Vesting or Tenancy”)

Sole Ownership

Sole ownership can be characterized as ownership by an individual or entity legally capable of holding title. The most common sole ownerships are held by single men and women, married men or women who hold property apart from their spouse. In the situation of married persons wishing to own real estate apart from their spouse, [title insurance](#) companies will typically require the spouse to specifically disclaim or relinquish their right to ownership in the property.

Advantage

The main advantage to holding title as a sole owner is the ease with which transactions can be accomplished because no other party need be consulted to authorize the transaction.

Disadvantage

The obvious disadvantage is the potential for legal issues regarding the transfer of ownership should the sole owner die or become incapacitated. Unless specific legal documentation such as a will exists, the transfer of ownership upon death can become very problematic.

Tenants by Entirety

Tenants by entirety is ownership in real estate under the fictional assumption that spouses are one person for legal purposes. This method conveys ownership to them as one person, with title transferred to the other in entirety if one of them dies. This method can only be used when owners are legally married.

Advantage

The advantage of this method is that no legal action need take place at the death of one's spouse. There is no need for a [will](#), and [probate](#) or other legal action isn't necessary.

Disadvantage

[Conveyance](#) of the property must be done together and the property cannot be subdivided. In the case of divorce this type of title automatically converts to a tenancy in common, meaning that one owner can transfer ownership of their respective part of the property to whomever they wish.



Joint Tenancy

Joint tenancy occurs when two or more people hold title to real estate jointly, with equal rights to enjoy the property during their lives; in the event of the death of one of the partners, their rights of ownership pass to the surviving tenant(s).

Advantage

The advantage of this method is that the parties in the ownership need not be married or related.

Disadvantages

The downside is that any **financing** or use of the property for financial gain must be approved by all parties and cannot be transferred by will after one passes. If the parties are not married, to get out of the title, they must petition the court to divide the property or order its sale. Another large disadvantage is that a creditor that has a legal judgment to collect a **debt** from one of the owners can also petition the court to divide the property and force a sale in order to collect on its judgment. In this method, each of the owners takes a risk in the other's financial choices

Tenancy in Common

With tenancy in common, two or more persons hold title to real estate jointly, with equal rights to enjoy the property during their lives. Unlike joint tenancy, tenants in common hold title individually for their respective part of the property and can dispose of or encumber it at will. Ownership can be willed to other parties, and in the event of death, ownership will **transfer** to that owner's **heirs** undivided.

Advantage

Tenancy in common allows for one owner to use the wealth created by their portion of the property as collateral for financial transactions, and creditors can place liens only against one owner's particular portion of the property.

Disadvantage

Any liens on the property must be cleared for a total transfer of ownership to take place.



Title Insurance:

Generally, there are two title insurance policies issued when a home is being purchased: lender's title insurance and owner's title insurance. To extend a loan, your lender will require you to purchase a lender's title insurance policy to protect the bank's interest in the property. You also have the option to purchase an owner's policy to protect you from defects in the title or from claims against your property based on obligations created by the previous owner (or the builder if you are buying a newly constructed property). When purchasing an owner's policy, you must also choose whether you'd like basic or enhanced coverage. Below describes which types of issues are included in each level of coverage. The chart on the next page provides an overview and is not meant to include every possible defect that could occur. The following page compares pricing options.

The ALTA Homeowner's Policy – Enhanced may be issued if (the Prerequisites):

- The Insured is a natural person or the trustee of a revocable trust, even if the trustee is a corporate entity; (In the case of a corporate trustee, the beneficiary must be a natural person)
- The Land must be (a) a lot in a platted subdivision; (b) metes and bounds property in Baltimore City, or (c) under certain circumstances, metes and bounds property that calls to and along an existing public road, with access being from the said existing public road. If property is served by a recorded right of way, contact underwriting counsel for applicability and guidance;
- The property to be insured is in a platted residential subdivision or is acreage of 25 acres or less for residential use;
- The property is improved with a one-to-four family residential dwelling or condominium unit; and
- The Insured takes title at Date of Policy by a bona fide sale.

The ALTA Homeowner's Policy – Enhanced may **not** be issued for:

- An Insured that is an LLC, corporation or partnership unless such entity is the trustee of a trust established for the benefit of a natural person;
- Commercial property; i.e. property that is currently used as "commercial property" or property that is zoned "commercial property";
- Land containing acreage of greater than 25 acres;
- Unimproved property; or
- Property with improvements under construction or on-going renovation.



Coverage Comparison of Standard ALTA Owner's Policy and Homeowner's Policy of Title Insurance	Standard ALTA Owner's Policy	Homeowner's Policy of Title Insurance
Title to the estate or interest described in Schedule A being vested other than as stated therein	YES	YES
Any defect in or lien or encumbrance on the title	YES	YES
Unmarketability of the title	YES	YES
Lack of right of access to and from the land	YES	YES
You do not have both actual vehicular and pedestrian access to and from the land based upon a legal right	NO	YES
You are forced to correct or remove an existing violation of any covenant, condition or restriction affecting the land	NO*	YES
Your title is lost or taken because of a violation of any covenant, condition or restriction, which occurred before you acquired your title	NO*	YES
You are unable to obtain a building permit; you are required to correct or remove the violation; or someone else has a legal right to, and refuses to perform a contract to purchase the land, lease it or make a mortgage loan on it because of an existing violation of a subdivision law or regulation affecting the land	NO*	YES
You are forced to remove or remedy your existing structures, or any part of them other than boundary walls or fences because any portion was built without obtaining a building permit from the proper government office	NO*	YES+
You are forced to remove or remedy your existing structures, or any part of them because they violate an existing zoning law or zoning regulation	NO*	YES+
You cannot use the land because use as a single-family residence violates an existing zoning law or zoning regulation	NO*	YES
You are forced to remove your existing structures because they encroach onto your neighbor's land	YES	YES+
Someone has a legal right to and refuses to perform a contract to purchase the land, lease it or make a mortgage loan on it because your neighbor's existing structures encroach onto the land	YES	YES
You are forced to remove your existing structures, which encroach onto an easement or over a building set-back line	YES	YES
Your existing structures are damaged because of the exercise of a right to maintain or use any easement affecting the land	YES	YES
Your existing improvements, including lawns, shrubbery or trees, are damaged because of future exercise of right to use the surface of the land for the extraction or development of minerals, water or any other substance	NO	YES
Someone else tries to enforce a discriminatory covenant, condition or restriction that they claim affects your title, which is based upon race, color, religion, sex, handicap, familial status or national origin	NO*	YES
A taxing authority assesses supplemental real estate taxes not previously assessed against the land for any period before the policy date because of construction or a change of ownership or use that occurred before the policy date	NO	YES
Your neighbor builds any structures after the policy date which encroach onto the land	NO	YES
The residence with the address is not located on the land at the policy date	NO	YES
The map, if any, attached to the policy does not show the correct location of the land according to the public records	NO	YES

* Coverage for the item is not provided in the ALTA Owner's Policy UNLESS notice of the covenant, ordinance, statute or regulation is recorded in the public land records. Available by endorsement
 Note: Covered risks listed are occurring after the policy date. This Homeowner's Policy of Title Insurance is for use, when requested, for one-to four-family residences only. It should not be used for vacant land or for new construction. If issued on new construction, you must independently verify the payment of all lienable construction costs and the issuance of all required occupancy permits. Deductible may apply with respect to certain of the coverages afforded in this policy. Contact a local Old Republic Title office for specific information as to any deductibles, which pertains to the coverages in the Homeowner's Policy of Title Insurance. For additional questions, contact Old Republic National Title Insurance Company. Note: All covered risks are subject to policy conditions, exclusions and exceptions.
 + Coverage is subject to a deductible and a liability cap.



Survey:

A survey is the simplest way to ensure that the boundaries of your new property are not encroached upon. Purchasing a survey also provides added coverage for your new home. In most cases surveys are optional; however, sometimes, lenders may make requirements as a condition to loan approval. Lenders will not require a survey when you purchase a condominium.

The two most common types of survey are “location” and “boundary.” A location survey shows the property as inspected and depicts locations of other buildings and structures affecting the property. It shows the boundary line and any improvements on a survey map. A boundary survey is required to set property corners and may be necessary for various purposes (erecting a fence, building a garage, etc.) A boundary survey involves finding existing property corners and location improvements on the property and tying the property line to the structure on the property. If any property corners are missing, they will be reestablished.

If you are a Cash Buyer, it is your option to purchase a Location/Boundary Survey or not. Please let us know as soon as possible.

While this information may seem confusing, don't fret; your Closing Team will be by your side throughout the process to guide you to a smooth and stress-free closing. We encourage you to develop a relationship with your Closing Team and never shy away from asking for help or clarification.